DR. MURLI MANOHAR JOSHI: How can I speak, Sir? (*Interruptions*) I will not be able to communicate with the Minister. (*Interruptions*)

MR. CHAIRMAN: Please don't disrupt the proceedings. ...(*Interruptions*)... Please don't disrupt the proceedings. ...(*Interruptions*)... I would request the hon. Members not to disrupt the proceedings and allow the Question Hour to proceed. ...(*Interruptions*)

श्री सतीश चन्द्र मिश्रा: मान्यवर, क्वैश्चन ऑवर स्थगित करने के लिए अगर इस ज्वलंत मामले में भी हम को मौका नहीं दिया जाता है तो हम लोग हाउस में पार्टिसिपेट नहीं करेंगे।

श्री सभापति: आप को रूल्स के मुताबिक मौका दिया जाएगा।

श्री सतीश चन्द्र मिश्र: मान्यवर, हम लोग वाक-आउट करते हैं।

(इस क्षण कुछ माननीय सदस्य सदन से उठकर चले गए)

विदेशी वित्तीय संस्थाओं की पूंजी

†*402. **डॉ॰ मुरली मनोहर जोशी:**††
श्री राम जेठमलानी:

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि वर्ष 2007-08 के दौरान दिसम्बर 2007 के अंत तक देश में विदेशी वित्तीय संस्थाओं की पूंजी में निरंतर वृद्धि हुई है;

(ख) यदि हां, तो इन विदेशी वित्तीय संस्थाओं (एफएफआई) द्वारा अप्रैल से जून, जुलाई से सितम्बर और अक्तूबर से दिसम्बर 2007 के दौरान कितनी-कितनी पूंजी भारत में लाई गई है;

(ग) क्या यह भी सच है कि इन संस्थाओं द्वारा उपर्युक्त प्रत्येक अवधि में अपनी विदेशी पूंजी बटोरी भी गई है; और

(घ) यदि हां, तो इनके द्वारा प्रत्येक अवधि में कितनी-कितनी पूंजी बटोरी गई है?

वित्त मंत्री (श्री पी॰ चिदम्बरम): (क) से (घ) एक विवरण राज्य सभा के पटल पर रखा गया है।

विवरण

(क) से (घ) विदेशी वित्तीय संस्था (एफएफआई) के रूप में औपचारिक रूप से परिभाषित कोई संस्था नहीं है। विदेशी वित्तीय संस्थाओं को विदेशी बैंक और विदेशी गैर-बैंकिंग वित्तीय कंपनियों (एनबीएफसी) के रूप में जाना जाता है। भरतीय रिजर्व बैंक द्वारा नियत न्यूनतम पूंजी आवश्यकता के अनुसार भारत में शाखा खोल रहे विदेशी बैंक से अपेक्षा की जाती है कि वह निर्धारित पूंजी के रूप में 25 मिलियन अमरीकी डॉलर लाए। विदेशी बैंकों से यह अपेक्षा भी की जाती है कि वे अपने भारतीय परिचालनों के जोखिम भारित पूंजी आस्ति अनुपात (सीआरएआर) की कम से कम 9: धनराशि न्यूनतम पूंजी निधियों के रूप में रखें। इसके अतिरिक्त, विदेशी निवेशकों द्वारा शत-प्रतिशत परिचालन वाली अनुषंगी (गैर-बैंकिंग वित्तीय कंपनी) स्थापित करने के

†मूल सूचना हिन्दी में प्राप्त हुई।

††सभा में यह प्रश्न डॉ॰ मुरली मनोहर जोशी द्वारा पुछा गया।

लिए निर्धारित न्यूनतम पूंजीकरण मानदण्ड 50 मिलियन अमरीकी डॉलर है। वर्ष 2007-08 के दौरान (दिसम्बर 2007 तक) विदेशी बैंकों एवं गैर-बैंकिंग वित्तीय कंपनियों (एनबीएफसी) की पूंजी निम्नानुसार थी:-

(राशि करोड़ रुपए में)

पूंजी	चुकता शेयर पूंजी				टीयर-I + टीयर-II पूंजी			
	मार्च 2007	जून 2007	सितम्बर 2007	दिसम्बर 2007	मार्च 2007	जून 2007	सितम्बर 2007	दिसम्बर 2007
विदेशी बैंक	13,079	14,483	15,217	17,630	33,134	35,480	37,362	40,892
एनबीएफसी द्वारा निधियों के विदेशी स्रोत @	4,744	6,017	5,770	8,563	16,163	19,510	20,363	23,225

@ 100 करोड़ रुपए और उससे अधिक आस्ति-आकार की, जमाराशि स्वीकार न करने वाली एनबीएफसी

Capital with FFIs

†*402. DR. MURLI MANOHAR JOSHI:††
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that capital of Foreign financial Institutions (FFIs) during the year 2007-08 has constantly increased upto December, 2007;

(b) if so, the amount of capital brought in India by these FFIs between April to June, July to September and October to December, 2007;

(c) whether it is also a fact that foreign capital has been collected by respective institutions during each of the said period; and

(d) if so, the amount of capital colle ..iem during each of the said period?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table of the Rajya Sabha.

Statement

(a) to (d) There is no entity formally defined as a Foreign Financial Institution (FFI). FFIs are understood as foreign banks and foreign Non-Banking Finance Companies (NBFCs). The minimum capital requirements stipulated by Reserve Bank of India (RBI) require a foreign bank opening a branch in India to bring in US $25 million as an assigned capital. Foreign banks are also required to maintain minimum capital funds amounting to not less than 9 per cent of Capital to Risk-weighted Assets Ratio (CRAR) of its Indian operations. Further, the minimum capitalization norms stipulated for setting up a 100% operating subsidiary (NBFC) by foreign investors in US$ 50 million. The capital foreign banks and NGFCs during the year 2007-08 (upto December, 2007) was as under:—

† The Original notice of the question was received in Hindi.

†† The question was actually asked in the House by Dr. Murli Manohar Joshi.

(Amount in Rs. Crore)

Capital	Paid-Up Share Capital				Tier I + Tier II Capital			
	March 2007	June 2007	Sept. 2007	Dec. 2007	March 2007	June 2007	Sept. 2007	Dec. 2007
Foreign Banks	13,079	14,483	15,217	17,630	33,134	35,480	37,362	40,892
Foreign sources of funds by NBFCs@	4,744	6,017	5,770	8,563	16,163	19,510	20,363	23,225

@ Non-deposit taking NBFCs having asset-size of Rs. 100 crore and above.

डा॰ मुरली मनोहर जोशी: सभापति जी, इस सवाल में printer's devil या comedy of errors हो गया है। हमारे प्रश्न पूछने का मंतव्य एक हलफ् के इधर-उधर हो जाने से बदल गया है। हम एफ.आई.आई. जानना चाहते थे, लेकिन एफ.डी.आई. से इस सवाल का पूरा तात्पर्य ही बदल गया है। फिर भी चूंकि मंत्री महोदय बहुत कुशल हैं और हर तरह से तैयार हैं, मैं जानना चाहूंगा कि क्या वह इस वक्त एफ.आई.आई. के बारे में बता सकेंगे? अगर बताएं तो बहुत अच्छा होगा क्योंकि एफ.डी.आई. और एफ.आई.आई. के विषय आप से संबंधित हैं। मैं आप से दरख्वास्त करूंगा कि वह एफ.आई.आई. के बारे में बताएं कि उनकी तरफ से कितनी पूंजी आई और कितनी पूंजी यहां से इस दौरान वापिस चली गयी? वह इस बारे में आंकड़े दे सकें तो बहुत सुविधा होगी।

SHRI P. CHIDAMBARAM: I would require a separate question if the question relates to Foreign Institutional Investors. The question that came to us, both in the draft form and in the printed version, is about Foreign Financial Institutions, and I have given the answer. But if the question has to be asked about FIIs, I have told my dear friend, please put a separate question.

DR. MURLI MANOHAR JOSHI: But the Minister is well-versed with the statistics.

SHRI P. CHIDAMBARAM: I can give the policy, but how can I give the figures. I don't carry the figures with me.

MR. CHAIRMAN: Would like to ask the second supplementary.

DR. MURLI MANOHAR JOSHI: No. The printers' devil has saved the Minister.

SHRI RAM JETHMALANI: Whatever the comedy of errors, at least, the answer is very specific and very useful and thank you, very much for the information that you have supplied. I just want to ask: Has the Reserve Bank of India or any part of your Ministry developed any mechanism to assess the effect of this massive infusion of foreign funds on our economic development and particularly determining the end use of this money?

SHRI P. CHIDAMBARAM: Sir, firstly, it is wrong to say that there is a massive infusion of foreign funds. As far as the banking sector is concerned, the policy is that we will have public sector banks, Indian private sector banks and foreign banks. All three kinds of banks will compete with each other and that will not only expand the banking system, but it will also improve the efficiency, bring new products to the market, spread the banking habits and make available banking products to the people of India. The capital that has been brought by Foriegn Financial Institutions, which is foreign banks plus NBFCs, is, as on December 31, 2007, only about Rs. 26,000 crores, which is about 4 billion dollars. The size of our banking industry is much larger than that. The size of our economy is a trillion dollars,

that is, 1000 billion dollars. I don't think that there is a massive infusion of foreign funds. Just as Indian banks are establishing branches abroad and expanding overseas, foreign banks would also have to be allowed to establish branches in India and expand in India. In an integrated world, it is not possible to say that Indian banks should open branches in other countries, but the banks of other countries will not be allowed to open branches here.

SHRI M.V. MYSURA REDDY: I want to know from the Finance Minister whether the foreign banks have complained about priority sector norms applicable to India banks. Are there any special regulatory privileges or exemptions enjoyed by the foreign banks versus Indian banks? If yes, why should such regulatory privileges or exemptions be granted to foreign banks?

SHRI P. CHIDAMBARAM: The guidelines for foreign banks are slightly different from the guidelines for the Indian banks. The principal reason is that we do not allow foreign banks to establish branches in rural areas. It is very rarely that branch licences are granted to foreign banks to establish branches in rural areas. In fact, we find that most of the branches of the foreign banks are in Tier-I towns. In the last three years, for example, most of the foreign bank branches have been given in Mumbai, Kolkata, Noida, Ahmedabad, Chennai, etc. therefore, the same norms cannot be applied to foriegn banks. In fact, if you allow them to open branches in rural areas, then, surely, we can ask them to follow the same norms, but for reasons which are otherwise well known, we are very restrictive about allowing foreign banks to go into rural areas.

"Rise in inflation rate"

*403. SHRI RAMDAS AGARWAL: ††
SHRI DARA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has been able to check the inflation rate which has touched a 59-week high of 6.7 per cent as on 15 March, 2008 and inflation is likely to remain at elevated levels between 6.7 per cent and 7.4 per cent;

(b) if so, the details thereof during the last three years on quarterly basis till date;

(c) whether Reserve Bank of India has apprehended any upward pressure of inflation; and

(d) if so, the details thereof and the steps taken by Government, till date in this regard keeping in view that wholesale price-based inflation rate has already jumped 1.5 percentage points through first fortnight of March, 2008?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Statement is placed on the Table of the House.

Statement

(a) and (b) Yes, Sir. The weekly inflation rate of WPI stood at 6.7 per cent (provisional) as on 15 March, 2008 and reached to 7.4 per cent on March 29, 2008, However, it has come down to 7.1 per cent as on April 5, 2008. Quarterly inflation in terms of Wholesale Price Index (WPI) of the last three years is indicated in the table 1.

†† The question was actually asked on the floor of the House by Shri Ramdas Agarwal.